

104TH CONGRESS
2D SESSION

S. 1529

To provide for the Federal treatment of certain relocating National Football League franchises, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 26, 1996

Mr. DEWINE (for himself and Mr. GLENN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for the Federal treatment of certain relocating National Football League franchises, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Team Relocation Tax-
5 payer Protection Act of 1996”.

6 **SEC. 2. TREATMENT OF RELOCATING NATIONAL FOOTBALL**
7 **LEAGUE FRANCHISES.**

8 (a) EFFECT ON INTERSTATE COMMERCE.—

9 (1) FINDINGS.—The Congress finds that the
10 conduct of a National Football League franchise oc-

1 curs in interstate commerce and has a substantial
2 effect on interstate commerce and that when the
3 facts and circumstances described in subsection
4 (c)(1) are combined, there arises substantial poten-
5 tial for harmful effects on interstate commerce.

6 (2) PURPOSE.—The purpose of this section is
7 to deter such harmful effects.

8 (3) NO PREEMPTION OF STATE OR LOCAL AC-
9 TIONS.—Such other actions as may be taken by a
10 State or local governmental unit or entity referred to
11 in subsection (c)(1)(A) to address the facts and cir-
12 cumstances described in subsection (c)(1) are not
13 preempted by this section and do not burden inter-
14 state commerce.

15 (b) FEDERAL TREATMENT.—Notwithstanding any
16 other provision of law—

17 (1) any entity or person described in paragraph
18 (1) or (2) of subsection (c)—

19 (A) may not benefit, directly or indirectly,
20 from any expenditure of Federal funds, and

21 (B) shall not be allowed any Federal tax
22 exclusion, deduction, credit, exemption, or al-
23 lowance,

1 in connection with or in any way related to the relo-
 2 cation of a National Football League franchise of an
 3 entity or person described in subsection (c)(1); and
 4 (2) the interest paid or accrued on any bond,
 5 any portion of the proceeds of which is used or is
 6 to be used to provide facilities that are used or are
 7 to be used in whole or in part by any entity or per-
 8 son described in paragraph (1) or (2) of subsection
 9 (c), shall not be exempt from any Federal tax.

10 (c) ENTITY OR PERSON DESCRIBED.—For purposes
 11 of this section—

12 (1) GENERAL DESCRIPTION.—An entity or per-
 13 son is described in this paragraph if—

14 (A) the entity or person has conducted reg-
 15 ular season home football games through own-
 16 ership of a franchise in the National Football
 17 League in facilities—

18 (i) which are owned, directly or indi-
 19 rectly, by a State or local governmental
 20 unit or entity, or

21 (ii) which are financed by a Federal,
 22 State, or local governmental unit or entity;

23 (B) the entity or person has publicly an-
 24 nounced that such entity or person has the in-
 25 tention to conduct such football games outside

1 the facilities described in subparagraph (A) be-
2 fore the expiration of the period during which
3 such governmental unit or entity has authorized
4 the entity or person to use such facilities;

5 (C) the entity or person has publicly an-
6 nounced that such entity or person has the in-
7 tention to conduct such football games in facili-
8 ties—

9 (i) to be owned, directly or indirectly,
10 by a State or local governmental unit or
11 entity, or

12 (ii) to be financed by a Federal, State,
13 or local governmental unit or entity;

14 (D) in the National Football League sea-
15 son preceding the announcement of the inten-
16 tion of the entity or person to relocate, attend-
17 ance at the regular season home football games
18 of such entity or person averaged at least 75
19 percent of normal capacity as previously pub-
20 lished by the National Football League with re-
21 spect to such season; and

22 (E) within the period of 1 year before or
23 after such announcement by the entity or per-
24 son, an election or referendum has been held by
25 the State or local governmental unit in which

the facilities described in subparagraph (A) are located and the voters have approved a tax increase or extension of a tax, or have failed to repeal any such tax increase or extension, intended by such governmental unit to be used as part of the financing for improved facilities or new facilities for such football games of such entity or person.

(2) RELATED PERSON.—

(A) IN GENERAL.—An entity or person is described in this paragraph if such entity or person is a related person to an entity or person described in paragraph (1).

(B) APPLICATION OF CERTAIN RULES.—

For purposes of this paragraph, a person or entity shall be treated as a related person to an entity or person described in paragraph (1) if—

(i) under the terms of section 144(a)(3) of the Internal Revenue Code of 1986, such person or entity would be treated as a related person to an entity or person described in paragraph (1), or

(ii) such person or entity is a successor in interest to an entity or person de-

1 scribed in paragraph (1) or to any related
2 person.

3 (C) RULES REGARDING CERTAIN RELA-
4 TIONSHPIS.—In determining whether a person
5 or entity is a related person to an entity or per-
6 son described in paragraph (1), the rules of sec-
7 tions 144(a)(3), 267, 707(b), and 1563 of the
8 Internal Revenue Code of 1986 shall be ap-
9 plied—

10 (i) by substituting “at least 25 per-
11 cent” for “more than 50 percent” each
12 place it appears therein and by determin-
13 ing such percentage on the basis of the
14 highest percentage of the stock or other in-
15 dices of ownership that any person or en-
16 tity has owned directly or indirectly at any
17 time after December 31, 1991,

18 (ii) by treating a person’s step-chil-
19 dren or step-grandchildren as the person’s
20 natural children or grandchildren, and

21 (iii) by treating all children and step-
22 children of such person as if they have not
23 attained the age of 21 years.

24 (d) BANKRUPTCY VENUE.—Notwithstanding any
25 other provision of law, including titles 11 and 28 of the

1 United States Code, any case under such title 11 with re-
2 spect to an entity or person described in paragraph (1)
3 or (2) of subsection (c) may be commenced only in the
4 district court for the judicial district in which the principal
5 place of business in the United States of such entity or
6 person has been located during the greatest part of the
7 3-year period immediately preceding the commencement of
8 such case.

9 (e) EFFECTIVE DATE.—This section shall apply to—

10 (1) any expenditure of Federal funds on or
11 after the date of the introduction of this Act,

12 (2) any case commenced under title 11, United
13 States Code, after November 1, 1995, and

14 (3) any Federal tax exclusion, deduction, credit,
15 exemption, or allowance for any taxable period end-
16 ing after December 31, 1994.

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